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September 28, 1998

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U.S. Environmental Protection Agency
77 West Jackson Boulevard
Chicago, IL 60604

Thomas J. Martin, Esq. (C-14J)
U.S. Environmental Protection Agency
77 West Jackson Boulevard
Chicago, IL 60604

**Re: Sauget Area 1 Sites
Sauget/Cahokia, IL**

Gentlemen:

This office represents Cerro Copper Products Co. ("Cerro"), and we are submitting this letter in response to the Agency's September 9, 1998 Special Notice Letter, which Cerro received on September 18, 1998.

Please be advised that Cerro is willing to participate in negotiations to perform or finance some or all of the activities described in your letter, provided, of course, that a sufficient number of the other PRPs named in your letter agree to participate as well.

These negotiations will have to address a number of issues. First, as indicated in the Special Notice Letter, the Agency has not identified Cerro as a PRP for a number of sites included within the Sauget Area 1 Sites. We presume that the Agency would not require Cerro to participate in response activities for those sites. Second, the Agency has already performed a removal action for Site G, and demanded reimbursement of its removal action costs from a number of companies, including Cerro. These companies have entered into a Tolling Agreement with the United States regarding those costs with the understanding that settlement negotiations would occur during the tolling period. It is unclear from the Special Notice Letter whether those negotiations will proceed or whether the United States wishes to incorporate its claim for costs relating to the Site G removal action into the global Sauget Area 1 Sites negotiations.

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U.S. EPA, Region 5
Office of Regional Counsel

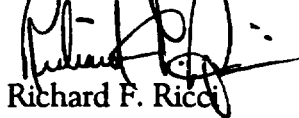
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Other issues will undoubtedly arise as we study more closely the materials submitted with the Special Notice Letter and confer with the PRPs identified in that letter. We believe that the initial settlement conference referred to in page 5 of your letter would be a good forum for addressing such issues. Accordingly, we would encourage the Agency to schedule that meeting as soon as possible.

In the meantime, the undersigned will act as the principal contact for Cerro in this matter. We are, of course, available should you have any questions.

Very truly yours,



Richard F. Ricci

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cc: Mr. Joseph M. Grana (Cerro Copper Products Co.)

